* * * *Effective March 1, 1984*

Vidalia, GA—Vidalia Muni, NDB RWY 24, Admt. 4
Beverly, MA—Beverly Muni, NDB-A, Amdt. 8
Charlevoix, MI—Charlevoix Muni, NDB RWY 8, Amdt. 6
Charlevoix, MI—Charlevoix Muni, NDB RWY 26, Amdt. 7
Benson, MN—Benson Muni, NDB RWY 14, Amdt. 3
Hudson, NY—Columbia County, NDB-A, Amdt. 2

* * * *Effective January 12, 1984*

Orange City, IA—Orange City Muni, NDB RWY 34, Amdt. 2

* * * *Effective January 10, 1984*

Long Beach, CA—Long Beach/Daugherty Field, NDB RWY 30, Amdt. 8

4. By amending § 97.29 ILS ILS/DME, ISMLS, MLS, MLS/DME and MLS/RNAV SIAPs identified as follows:

* * * *Effective March 15, 1984*

Carlsbad, CA—McClellan-Palomar, ILS RWY 24, Amdt. 5

* * * *Effective March 1, 1984*

Boston, MA—General Edward Lawrence Logan Intl, ILS/DME RWY 15R, Amdt. 8
Boston, MA—General Edward Lawrence Logan Intl, ILS/RWY 33L, Amdt. 19
Detroit, MI—Detroit City, ILS RWY 15, Amdt. 7
Detroit, MI—Detroit City, ILS RWY 33, Amdt. 10
Batavia, NY—Genesee County, ILS RWY 28, Amdt. 1
Pittsburgh, PA—Allegheny County, ILS RWY 10, Amdt. 3

* * * *Effective February 16, 1984*

Norfolk, NE—Karl Stefan Memorial, ILS RWY 1, Orig.

* * * *Effective January 10, 1984*

Long Beach, CA—Long Beach/Daugherty Field, ILS RWY 30, Amdt. 31

5. By amending Part 97.31 RADAR SIAPs identified as follows:

* * * *Effective March 1, 1984*

North Kingstown, RI—Quonset State, RADAR-1, Amdt. 3

6. By amending § 97.33 RNAV SIAPs identified as follows:

* * * *Effective March 1, 1984*

Gainesville, FL—Gainesville Regional, RNAV RWY 28, Amdt. 5
LaPorte, IN—LaPorte Muni, RNAV RWY 20, Amdt. 1
Pittsburgh, PA—Allegheny County, RNAV RWY 10, Amdt. 5
Charleston, SC—Charleston Executive, RNAV RWY 9, Amdt. 3

(Secs. 307, 313(a), 601, and 1110, Federal Aviation Act of 1958 (49 U.S.C. §§ 1348, 1354(a), 1421, and 1510); 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.49(b)(3))

Note.—The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. For the same reason, the FAA certifies that this amendment will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Issued in Washington, D.C., on January 20, 1984.

Kenneth S. Hunt,
Director of Flight Operations.

Note.—The incorporation by reference in the preceding document was approved by the Director of the Federal Register on December 31, 1980, and reapproved as of January 1, 1982.

[FR Doc. 84-1758 Filed 1-20-84; 8:45 am]
BILLING CODE 4910-13-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 33

Domestic Exchange-Traded Commodity Options; Expansion of Pilot Program To Include Options on Domestic Agricultural Commodities

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule.

SUMMARY: The Commodity Futures Trading Commission ("Commission") is adopting amendments to its previously approved regulations governing a three-year pilot program to permit the trading of commodity options on domestic boards of trade. The amendments being adopted herein provide for the trading of options on futures contracts in domestic agricultural commodities. These rules will permit the trading of such options under the same conditions which apply to the Commission's ongoing options pilot program.

EFFECTIVE DATE: These rules will become effective upon the expiration of thirty calendar days of continuous session of Congress after their transmittal with related materials, to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry pursuant to Section 4c(c) of the Commodity Exchange Act, but not before further notice of the effective date is published in the **Federal Register.**

ADDRESS: Commodity Futures Trading Commission, 2033 K Street, NW., Washington, D.C. 20581.

FOR FURTHER INFORMATION CONTACT: Paul M. Architzel, Chief Counsel, Division of Economics and Education at the above address. Telephone: (202) 254-6900.

SUPPLEMENTARY INFORMATION:

I. Introduction

On October 14, 1983, the Commission published for public comment proposed amendments to Commission Rule § 33.4 (48 FR 46797). These proposed amendments would have permitted the trading of options of futures contracts in domestic agricultural commodities under essentially the same regulatory scheme as the Commission's ongoing pilot options program.

The Commission's previously adopted regulations establishing a three-year pilot program to permit the trading of commodity options on domestic boards of trade initially permitted trading only in options on commodity futures contracts. 46 FR 54500 (November 3, 1981). The pilot program was subsequently expanded to permit the trading of options on physical commodities as well. 47 FR 56996 (December 22, 1982). At that time a statutory bar to such trading found in Section 4c of the Commodity Exchange Act, 7 U.S.C. 6c (1976), prevented the consideration of the trading of options on domestic agricultural commodities.

The statutory bar to trading options on domestic agricultural commodities was repealed by Section 206 of the Futures Trading Act of 1982, Pub. L. 97-444, 96 Stat. 2294, 2301 (1983).[1] That amendment to the Commodity Exchange Act permitted the Commission to establish a pilot program for a period not to exceed three years for the trading of options on domestic agricultural commodities.[2]

[1] Section 206 of the Futures Trading Act of 1982 provides in part that:

With respect to any commodity regulated under this Act and specifically set forth in section (2)(a) of this Act prior to the date of enactment of the Commodity Futures Trading Commission Act of 1974, the Commission may, pursuant to the procedures set forth in this subsection, establish a pilot program for a period not to exceed three years to permit such commodity option transactions. The Commission may authorize commodity option transactions during the pilot program in as many commodities as will provide an adequate test * * *

[2] These commodities are enumerated in Section 2(a) of the Act and include: Wheat, cotton, rice, corn, oats, bareley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, Irish potatoes, wool, wool tops, fats and oils (including lard, other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, soybean meal, livestock, livestock products, and frozen concentrated orange juice.

In permitting a pilot program for the trading of options on domestic agricultural commodities, Congress believed that such options might benefit producers by offering protection from adverse price movements without requiring the sacrifice of potential profits from favorable price movements. Congress also believed that the abuses which characterized the trading of options in the the 1930s were unlikely to recur. S. Rep. No. 384, 97th Cong., 2nd Sess. 49–50 (1982). Accordingly, the Conference Committee reported that Congress;

> * * * [has] permit[ted] the Commission to authorize commodity option transactions during a pilot program in as many agricultural commodities as will provide an adequate test for these options.* * *.
>
> The conferees intend that the pilot program should, wherever possible, be "folded into" existing option pilot programs, using the same kind of regulatory scheme already in place for these other options pilot programs.

H.R. Rep. No. 964, 97th Cong., 2nd Sess. 40 (1982).

II. Public Participation in Consideration of Domestic Agricultural Options

The following removal of the statutory bar, the Commission began an inquiry into the feasibility and desirability of trading in options on domestic agricultural commodities. As part of this inquiry, the Commission published an advance notice of proposed rulemaking raising eight specific issues regarding the potential use of such options and the appropriate regulatory structure. 48 FR 6128 (February 10, 1983). Those issues included the potential uses for agricultural options, the form and structure of the pilot program, the extent and breadth of the program, and whether existing regulatory protections were adequate. Thirty-five comments, a majority from agricultural producers, were received by the Commission in response to that advance notice.

In addition, the Commission convened an Agricultural Options Advisory Committee ("Advisory Committee") which was formed under the provisions of the Federal Advisory Committee Act, 5 U.S.C. App. I, Section 1, *et seq.*, as amended, to provide additional input and advice with respect to the pilot program. The Advisory Committee met in Washington, D.C., on June 23, July 28, and October 5, 1983 to explore various policy alternatives for the trading of options on domestic agricultural commodities.

Also, the Commission conducted a series of public meetings in nine cities across the nation, including Atlanta, Georgia; Cedar Rapids, Iowa; Indianapolis, Indiana; Kansas City, Missouri; Lubbock, Texas; Memphis, Tennessee; Minneapolis, Minnesota; St. Louis, Missouri; and Reno, Nevada. These public meetings provided an additional opportunity for interested members of the public to express their views concerning the development of a pilot program for options on domestic agricultural commodities.

Finally, the Commission provided for a sixty-day comment period in its notice of proposed rulemaking. Thirty-two commentators responded. These included comments from three commodity exchanges, two industry associations, three associations representing producers, and twenty-three individuals or commercial firms. The comments received from the producer-representative organizations were generally favorable. However, certain individuals expressed concern over the option program specifically and over futures trading in general. After carefully considering the views of the members of the Commission's Advisory Committee, comments received from the public in response to the advance notice of proposed rulemaking, views of the public elicited during the nationwide public meetings, and comments received by the Commission in response to the proposed rules, the Commission is adopting final regulations to permit the trading of options on futures contracts in domestic agricultural commodities.

III. Comments on Issues Raised by the Proposed Rules

1. Potential Utility of Options on Domestic Agricultural Commodities

Many of the commentators, as requested, addressed the potential utility of options on futures contracts in domestic agricultural commodities. Generally, those commenting on both the advance notice of proposed rulemaking and the proposed rulemaking, those participating at the Commission's plubic meetings, and the members of the Advisory Committee supported the concept of options on futures contracts in domestic agricultural commodities. They believed that such options would offer producers an additional and perhaps superior method of hedging their risks.

Nevertheless, the Commission received eighteen similar comments from individuals questioning the utility of options on futures contracts for agricultural commodities. The concerns expressed by these commentators over the utility of options on domestic agricultural futures contracts reflected a basic mistrust of a producer's ability to use futures trading or its derivative markets profitably. Indeed, many of these comments questioned the general utility of futures trading. These individual commentators expressed concern with futures trading because of the ability of nonproducers to speculate and to sell short in the futures markets. Others questioned the utility of the pilot option program based upon a fear that options would be used to replace existing governmental programs for the support and maintenance of agricultural production.

The organizations representing producers which commented on the proposal, however, were highly supportive of the concept of the pilot program for options on futures contracts in domestic agricultural commodities. They asserted that options would provide producers with an additional, beneficial tool. The United States Department of Justice concurred in this view and particularly supported the pilot program because it permitted a market test of the efficacy of various instruments in transferring market risks.

In adopting this pilot program for agricultural options, the Commission believes that producers will thereby have made available to them an additional tool to help manage price risks. As discussed in the notice of proposed rulemaking, options will permit producers to hedge their downside price risks without forgoing potential gains from price rises. This protection can be obtained at a premium established at the outset. After carefully considering the views of both the individual producers who questioned the potential utility of options on futures contracts in domestic agricultural commodities and the views of those supporting the proposal, the Commission has concluded that options on domestic agricultural futures, when correctly used, are a potentially beneficial tool to producers. However, the Commission does not view domestic agricultural futures or options on such futures as the only appropriate tool to aid producers in the management of risk, or more generally in the support and maintenance of agricultural production.

2. Determination To Permit Options on Only Futures Contracts

The rules, as proposed, provided that options on domestic agricultural commodities be traded on futures contracts but not on the physical commodity. Those commentators discussing this issue generally were in agreement that the Commission's determination to proceed at this time with options on futures but not on physicals was correct. For example, an association representing producers believed that in light of the checkered history of agricultural options and the lack of recent experience with them, it was most appropriate to proceed only with options on futures contracts. In this connection the commentator particularly supported the restriction of trading options on futures contracts to the exchange trading the underlying futures contract. In the commentator's view such a restriction increases the accountability of the self-regulatory organizations for surveillance.

A second commentator representing an industry source was firmly opposed to exchange-traded options on physical commodities. Other commentators, such as the United States Department of Justice, agreed that it was reasonable to limit the pilot program to trading on futures contracts initially, but suggested that as experience with options increases the Commission may wish to consider whether to expand the program to include exchange-traded options on physical commodities. However, one association representing producers favored options on physical commodities and advocated their inclusion in the pilot program as a means of testing their efficacy.

As noted in the notice of proposed rulemaking, the Commission believes that a cautious approach, initially limiting the program to options on futures, is warranted. As the Commission previously stated:

> In light of the views of the majority of commentators and members of the Advisory Committee that the agricultural option program should initially include only options on futures, the trading experience in the existing pilot program with options on futures, the apparent preference of potential users for options on futures rather than physicals, and the lack of experience with any actively-traded contracts for options on physicals, the Commission has determined initially to restrict the pilot program in domestic agricultural options to options on futures. In so doing, the Commission has chosen to exercise at this time only a portion of its jurisdiction with respect to options on agricultural commodities. As experience is gained in the trading of options on agricultural futures, the Commission will consider whether, and under what circumstances, trading in options on agricultural physicals should be permitted.
> 48 FR 46799.

3. Limitation on Number of Option Contracts

As proposed, the pilot program in options on domestic agricultural commodities permits two additional options to be traded on those exchanges trading the underlying futures contracts in domestic agricultural commodities. Three exchanges objected to this provision. Two of the exchanges currently do not trade futures contracts in agricultural commodities. They reasoned that limiting the additional options permitted under the agricultural pilot program to agricultural futures contracts was anticompetitive and thereby violated Section 15 of the Commodity Exchange Act, 7 U.S.C. 19.[3] They argued that:

> * * * the nature of the proposal is unfairly beneficial to the nation's largest futures exchanges which offer so many contracts that they will qualify to trade four options. The fact that an exchange offers a large number of futures contracts should not afford them the advantage to trade more options contracts than a smaller exchange not diversified in the same way.

The two exchanges objecting to this provision of the proposed pilot program advocated that the Commission establish a uniform number of options which may be traded by each exchange and permit the exchanges to determine which particular options on futures are offered. The other commentators who addressed this issue, including the Department of Justice, found the limitation of the pilot program to options on domestic agricultural futures contracts, in light of its interim nature, to be reasonable and not anti-competitive.

The Commission believes that the suggestion of the two exchange commentators to provide for all exchanges to trade more options than now permitted, in any combination, would not achieve the statutorily-established objectives of the proposed pilot program to make a limited test of the efficacy of options on domestic agricultural commodities. The exchange commentators' suggestion would not meet that objective because it would not ensure that options on domestic agricultural commodities were offered. Secondly, were the Commission to follow this suggestion and include options on futures contracts in domestic agricultural commodities as an undifferentiated part of the existing pilot option program, there is no reason to assume that the Commission would increase the overall number of option contracts permitted to be traded on a particular exchange. In this regard, it should be noted that many exchanges, including the two commentators, have yet to reach the maximum number of options currently permitted by the existing pilot program.

Moreover, under the initial pilot program an exchange which trades only domestic agricultural commodities was not permitted to trade any options. Accordingly, because of the limited number of options permitted and because of the phased nature of the program, not all contract markets have been able to participate in all phases of the pilot program. In addition, the rules of the pilot program do not bar exchanges which do not currently trade such futures contracts but which would like to trade these options from seeking designation in futures contracts on domestic agricultural commodities. Accordingly, the Commission believes that its provision for a pilot program for options in domestic agricultural commodities does not unfairly disadvantage any exchange and is consistent with the requirements of Section 15 of the Act.

The third exchange commentator, which trades more than two futures contracts on domestic agricultural commodities, objected that the limitation of the pilot program to two options on such futures contracts was anti-competitive. This exchange advocated a pilot program limited to options on domestic agricultural futures contracts, but which did not provide for a maximum number of options permitted for each eligible exchange. However, consistent with the approach adopted in the initial pilot program, the Commission believes that in light of the past abuses associated with options trading, caution is warranted. Accordingly, the Commission believes that initially the total number of options which may be traded should be limited to two per exchange.

In this regard, several commentators noted that although they occurred in and supported the Commission's initial limitation of the program to options on two futures contracts, they hoped that after sufficient experience had been gained the program would be expanded. One commentator representing an association of producers based its support of an expanded pilot program on its desire to have options offered for each sector of the agricultural community. The Commission does not disagree that producers in every sector of the domestic agricultural economy should have access to the benefits of option trading, after those benefits have been demonstrated. However, in light of the past history of agricultural options trading and the general lack of

[3] Section 15 of the Act provides that:

The Commission shall take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving the objectives of this Act, as well as the policies and purposes of this Act, in issuing any order or adopting any Commission rule or regulation, or in requiring or approving any bylaw, rule, or regulation of a contract market or registered futures association established pursuant to section 17 of this Act.

experience with them, caution is warranted in order to assure the success of the program and to minimize possible adverse occurrences. Thus, although cognizant of the desire of some people to see the program expanded, the Commission believes that the more prudent approach is to hold any determination on further expansion of the program in abeyance until experience has been gained with the trading of options on domestic agricultural commodities.

4. Option Expiration Dates

As noted above, the proposed rules folded the pilot program for domestic agricultural options into the existing pilot program wherever possible. Accordingly, in the proposed rules, the Commission treated agricultural options no differently from other options with respect to the relative expiration dates of the option and future contracts. The current rule provides that a contract market must justify an expiration date which is later than ten business days before the earlier of the first notice date or last trading day of the underlying futures contract. Several commentators reiterated their support for the application of the current rule on option expirations to domestic agricultural options. The Commission believes that Rule 33.4(d)(1) should be retained for options on domestic agricultural commodities since it enables the Commission to balance, on a case-by-case basis, the commercial utility of an option's expiration date against any attendant risks of disruption to a particular futures contract. The Commission has found that this case-by-case approach has worked well with respect to those options already trading.

5. Customer Protections

The Commission also requested the views of commentators concerning whether any additional or different customer protections should be required for the trading of options on domestic agricultural commodities. 48 FR 46799. Clearly, the consensus was that the current regulations provide sufficient customer protections. One commentator noted, however, that although the regulations provide sufficient customer protections, there is a serious need to educate the public with respect to these options. That commentator noted that in light of the lack of trading experience in domestic agricultural options, and in light of the current mistrust of many producers toward options and futures, better education would be the main bulwark against customer abuses. A second commentator further noted that in order for these markets to be able to provide farmers with the services intended, trust must be established between the producers and the markets. Educational efforts by both the Commission and the industry will play an important part in establishing this trust.

Although most commentators believed that the customer protections currently provided in the options rules are sufficient, one commentator, a commodity exchange, believed that the disclosure requirements for customers under existing Commission Rules §§ 33.4(b)(9) and 33.7(d), 17 CFR 33.4(b)(9) and 33.7(d), are unnecessarily strict. Commission Rule § 33.4(b)(9) requires that exchanges designated to trade options adopt rules requiring member futures commission merchants, when engaging in the offer or sale of option contracts for a customer account for which discretion is vested in a third party, to disclose to the customer "the nature and risks of the strategy or strategies to be used in connection with the option customer's account." The commentator also objected to Rule § 33.7(d) which requires that customers be informed of various costs and fees of their option transactions before entering into the transaction.[4]

The commentator objected to these requirements on the grounds that disclosing these fees for each transaction is too burdensome for futures commission merchants. However, no futures commission merchant advanced this view. A second exchange commentator objected to Commission Rules §§ 33.3(b)(1)(i) (A) and (B), 33.4b (4), (5), (8), and (10); 33.4 (c) and (g), 33.5(d), 33.6(d) and 33.7. These rules provide, *inter alia*, for oversight of futures commission merchants who accept option orders and for their marketing techniques, the handling of customer complaints, and the disclosure to customers of the risks of options trading. The Commission believes that all of the customer protections provided for in the pilot program are essential to protect the public from the past abuses associated with the trading of options and finds no reason at this time to amend these rules.

One commentator suggested that revisions to current speculative limits combining options and futures contracts in one overall limit were necessary. The Commission would note that it has not required exchanges to provide for unified speculative limits on both futures and options contracts. In this regard, futures contracts in most domestic agricultural commodities have federally-set speculative limits under Part 150 of the Commission's Rules, 17 CFR Part 150. Speculative limits will be required for options on those futures contracts as well, but pursuant to Commission Rule § 1.61, speculative limits on the options contracts will be set by the exchanges in the first instance. In reviewing and approving the option limits proposed by the exchanges under Commission Rule § 1.61, the Commission will take into account several factors, including the relationship of the futures and options markets. The Commission has noted that:

> * * *In reviewing such limits, Commission will consider the options and futures market as a whole in determining whether exchange limits, either specified jointly for futures and options or separately, are set at appropriate levels. More specifically, the Commission wishes to ensure that option limits are set at levels which will not undermine the primary purposes for establishing limits on the underlying future.

46 FR 50938, 50944 (October 16, 1981).

Finally, one producer organization, while believing current customer protections are adequate, expressed the view that a futures-type margining system would be preferable. This commentator noted that options will be useful for farmers only if the premiums are available at an attractive price. To increase their availability, this commentator and an exchange commentator recommended a margining system for the option premium which is similar to that which exists for futures contracts. However, another commentator, also representing an agricultural producer's association, fully supported the concept of full premium payment as a means of customer protection and differentiation of options from futures. The Commission is aware of both views with respect to the advisability of various margining alternatives for option premiums and will be studying this issue further. The Commission believes that the public margining systems for all option contracts should be similar, regardless of the commodity on which the option is offered. Accordingly, issues relating to the margining systems for options will

[4] Commission Rule § 33.7(d) provides that:

Prior to the entry into a commodity option transaction on or subject to the rules of a contract market, each option customer or prospective option customer shall, to the extent the following amounts are known or can reasonably be approximated, be informed by the person soliciting or accepting the order therefor of the amount of the premium and any mark-ups thereon, if applicable, commissions, costs, fees and other charges to be incurred in connection with the commodity option transaction, as well as the strike price and all costs to be incurred by the option customer if the commodity option is exercised.

be considered apart from these proposed rules.

6. Trade Options

The final issue raised in the notice of proposed rulemaking related to options in actual cash commodities which are traded off of exchanges between producers, processors, commercial users, or merchants. In the notice of proposed rulemaking, the Commission stated that it

* * *[r]ecognizes that there may be possible benefits to commercials and to producers from the trading of these "trade" options in domestic agricultural commodities. On the other hand, in light of the lack of recent experience with agricultural options and because the trading of exchange-traded options is subject to more comprehensive oversight, caution would suggest proceeding in a gradual fashion by initially permitting only exchange-traded agricultural options. 48 FR 46800.

With the exception of one commentator, an agricultural insurance company that wished to offer these trade options, other commentators commenting on this issue generally agreed that the Commission's approach of initially proceeding with exchange-traded options and considering off-exchange instruments at a later time was appropriate. Indeed, many of these commentators believed that the lack of recent experience with options clearly favored the conservative approach of limiting the trading of options to exchanges. Moreover, with two exceptions, no commentators even addressed the issue of the present need for such off-exchange instruments. Accordingly, the Commission has determined to proceed only with exchange-traded options on domestic agricultural futures contracts at this time. The Commission notes that does not imply that it has reached a final determination as to the future feasibility or desirability of permitting the trading of off-exchange trade options in these commodities. Rather, that determination will be made after further experience has been gained in connection with the trading of options on exchanges as part of this pilot program.[5]

[5] Nor is the Commission, by proceeding only with exchange-traded commodity options, making a determination with respect to the status of certain practices which may exist currently as part of cash market contracting. The Commission's policy to date has been to examine various instruments on a case-by-case basis and to determine their status by a functional analysis of the instrument. The Commission will continue to follow this approach in determining whether various instruments fall within the Commission's jurisdiction or are contracts of a cash commodity for deferred shipment or delivery.

7. Applications for Designation

The Commission also notes that commentators, in connection with the Commission's consideration of the existing pilot program, previously expressed concern over the timing of Commission approvals of applications for designation as option contract markets. 46 FR 54501. They expressed the concern that particular exchanges may obtain a competitive advantage by being among the first contract markets designated for options trading. Although commentators did not specifically raise this concern in connection with the proposed rules for options on futures in domestic agricultural commodities, the Commission appreciates its responsibility to treat all contract markets equally.

Accordingly, the Commission has determined to review applications for designation as option contract markets in domestic agricultural futures on a unified schedule. Applications for designation will not be accepted officially by the Commission until the expiration of the statutorily-mandated period for Congressional review of these rules.[6] Because of the relatively great demands on Commission resources such unified timetables impose, the Commission will include in the initial grouping only one application per exchange for designation as an option contract market in domestic agricultural futures. Accordingly, boards of trade simultaneously applying for more than one option should specify which application has higher priority. Those applications received later than thirty days after applications are first accepted, applications for second options, and those applications within the initial group which are seriously deficient or otherwise require stricter scrutiny, will be scheduled for review under the Commission's routine procedures.

IV. The Final Regulations

The regulations herein adopted incorporate the pilot program in options on domestic agricultural commodities into the existing options pilot program wherever possible. The Commission, as proposed, is hereby amending Commission Rule 33.4 to provide that options on agricultural commodities be on a futures contract and not directly on the physical commodity.

Moreover, for the reasons identified above, the Commission in Rule § 33.4(a)(6), is permitting designation for each board of trade in no more than two options on futures contracts in domestic agricultural commodities. As previously stated, the Commission believes that by permitting each board of trade to be designated in two options on domestic agricultural commodities, a sufficient number of option contracts will be traded to permit an adequate test for the pilot program. As more experience is gained with these contracts, the Commission will re-evaluate the limitation on the number of option contracts permitted.

[6] Section 4c(c) of the Act, 7 U.S.C. 6c(c) provides in part that the pilot program may be established when:

(1) The Commission transmits to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry documentation of its ability to regulate successfully such transactions, including a copy of the Commission's proposed rules and regulations, and (2) the expiration of thirty calendar days of continuous session of Congress after the date of such transmittal.

V. Related Matters

A. The Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA") (5 U.S.C. 601 *et seq.*) requires that agencies in proposing rules consider the impact of those rules on small businesses. As stated in the notice of proposed rulemaking, 48 FR 46801, the Commission previously determined that contract markets are not small entities for purposes of the RFA. In certifying pursuant to Section 3(a) of the RFA, 5 U.S.C. 605(b) that these regulations will not have a significant economic impact on a substantial number of small entities, the Commission invited comments from any firms or other persons who believe that the promulgation of these rule amendments might have an impact upon their activities. No such comments were received.

List of Subjects in 17 CFR Part 33

Commodity exchange, Commodity exchange designation procedures, Commodity exchange rules, Commodity futures, Consumer protection.

In consideration of the foregoing and pursuant to the authority contained in the Commodity Exchange Act and in particular Sections 2(a)(1)(A), 4c(b), 4c(c), and 8a thereof, 7 U.S.C. 2, 6c(b), 6c(c), and 12a, the Commission hereby amends Chapter 1 of Title 17 of the Code of Federal Regulations as follows:

PART 33—REGULATION OF DOMESTIC EXCHANGE-TRADED COMMODITY OPTION TRANSACTIONS

1. Section 33.4 is amended by revising the introductory paragraph and paragraph (a)(6) to read as follows:

§ 33.4 Designation as a contract market for the trading of commodity options.

The Commission may designate any board of trade located in the United States as a contract market for the trading of options on contracts of sale for future delivery on any commodity regulated under the Act, or for options on physicals in any commodity regulated under the Act other than those commodities which are specifically enumerated in Section 2(a)(1)(A) of the Act, when the applicant complies with and carries out the requirements of the Act (as provided in § 33.2), these regulations, and the following conditions and requirements with respect to the commodity option for which the designation is sought:

(a) Such board of trade * * *

(6) For commodities not specifically enumerated in Section 2(a)(1)(A) of the Act, is not designated as a contract market for more than one other commodity option on a commodity not enumerated in Section 2(a)(1)(A) of the Act; and for those commodities which are specifically enumerated in Section 2(a)(1)(A) of the Act, is not designated for more than one other commodity option in a commodity which is specifically enumerated in Section 2(a)(1)(A) of the Act.

* * * * *

Issued in Washington, D.C., by the Commission on January 17, 1984.

Jane K. Stuckey,

Secretary of the Commission.

[FR Doc. 84-1776 Filed 1-20-84; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[T.D. ATF-164; Ref: Notice No. 399 and No. 434]

Monticello Viticultural Area

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This final rule establishes a viticultural area in central Virginia to be known as "Monticello." The Bureau of Alcohol, Tobacco and Firearms (ATF) believes the establishment of "Monticello" as a viticultural area and subsequent use as an appellation of origin on wine labels and in wine advertisements will allow wineries to better designate the specific grape-growing area where their wines come from and will enable consumers to better identify the wines they may purchase.

EFFECTIVE DATE: February 22, 1984.

FOR FURTHER INFORMATION CONTACT: James A. Hunt, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226 (202-566-7626).

SUPPLEMENTARY INFORMATION:

Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) revising regulations in 27 CFR Part 4 allowing the establishment of definite viticultural areas. The regulations also allow the name of an approved viticultural area to be used as an appellation of origin in wine labeling and advertising.

Section 9.11, Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical characteristics. Section 4.25a(e)(2) outlines the procedures for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

Six wine grape growers in the Charlottesville area of Virginia petitioned ATF to establish a viticultural area to be known as "Monticello." In response to the petition ATF published a notice of proposed rulemaking, Notice No. 399 (46 FR 59274), on December 4, 1981, to establish a viticultural area in the Charlottesville, Virginia, area to be known as "Monticello."

The Jefferson Wine Grape Growers Society petitioned for an enlargement of the Monticello viticultural area boundary. ATF published an amended notice of proposed rulemaking, Notice No. 434 (47 FR 52200), on November 19, 1982. Seven comments were received which all strongly favored the enlarged boundary for the Monticello viticultural area.

Historical and Current Evidence of the Name

The petitioner stated that the name "Monticello" is known nationally and locally as the home of Thomas Jefferson. Located on a high mountain outside the city of Charlottesville, Virginia, Monticello is easily seen for several miles in all directions. Today, Monticello is a major tourist attraction in the central Virginia area and signs on all major roads direct visitors to this historical landmark.

The petitioner submitted evidence to show that the name "Monticello" has also been historically linked to wine production in the area. There are numerous references of Thomas Jefferson planting wine grapes at Monticello. There are also historical references of a Monticello Wine Company in Charlottesville winning medals in Europe between the years 1873 and 1920.

A survey of rainfall data was taken from owners of 15 vineyards throughout the Monticello area. The average annual rainfall reported was 42.4 inches with a range of 39.5 to 44.0 inches. The Shenandoah Valley viticultural area to the north has a broader range of 38.6 to 48.6 inches of rainfall and the North Fork of Roanoke viticultural area to the west annually averages 3 inches of rainfall less than the Monticello viticultural area.

Boundaries

In the amended notice of proposed rulemaking extending the boundaries of the Monticello viticultural area from approximately 475 square miles to 1,250 square miles, ATF asked for further evidence to support the larger viticultural area. The evidence submitted by commenters showed that there are approximately 300 acres of grapes on 26 vineyards scattered throughout the Monticello viticultural area with another 150 acres planned in the near future. Reducing the size would leave out vineyards which are within the historical and geographical confines of the Monticello viticultural area.

After carefully considering the evidence submitted ATF is adopting the Monticello viticultural area boundaries stated in the amended notice of proposed rulemaking and found at 27 CFR 9.48 in this final rule.

Miscellaneous

ATF does not wish to give the impression by approving Monticello as a viticultural area that it is approving or endorsing the quality of the wine from this area. ATF is approving this area as being distinct and not better than other areas. By approving the area, wine producers are allowed to claim a distinction on labels and advertisements as to the origin of the grapes. Any commercial advantage gained can only come from consumer acceptance of Monticello wines.

Executive Order 12291

In compliance with Executive Order 12291 (46 FR 13193 (1981)), ATF has determined that this final rule is not a "major rule" since it will not have an annual effect on the economy of $100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of the United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to a final regulatory flexibility analysis (5 U.S.C. 604) are not applicable to this final rule because it will not have a significant economic impact on a substantial number of small entities. The proposal is not expected to have significant secondary or incidental effects on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of Section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that this final rule will not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

The Provisions of the Paperwork Reduction Act of 1980, Pub. L. 96–511, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR Part 1320, do not apply to this final rule because no requirement to collect information is imposed.

Disclosure

A copy of the petition and the comments received are available for inspection during normal business hours at the following location: ATF Reading Room, Rm. 4407, Office of Public Affairs and Disclosure, 12th and Pennsylvania Ave., NW., Washington, DC.

List of Subjects in 27 CFR Part 9

Administrative practice and procedure, Consumer protection, Viticultural areas, and Wine.

Drafting Information

The principal author of this document is James A. Hunt, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

Authority and Amendment

PART 9—AMERICAN VITICULTURAL AREAS

Accordingly, under the authority contained in Section 5 of the Federal Alcohol Administration Act (49 Stat. 981, as amended; 27 U.S.C. 205), 27 CFR Part 9 is amended as follows:

Paragraph 1. The table of sections in 27 CFR Part 9, Subpart C, is amended by revising the heading of § 9.48 as follows:

Subpart C—Approved American Viticultural Areas

Sec.

* * * * *

9.48 Monticello.

Para. 2. Subpart C is amended by adding § 9.48 to read as follows:

Subpart C—Approved American Viticultural Areas

§ 9.48 Monticello.

(a) *Name.* The name of the viticultural area described in this section is "Monticello."

(b) *Approved Maps.* Approved maps for the Monticello viticultural area are two 1971 U.S.G.S. maps titled: Charlottesville Quadrangle Virginia; 1:250,000 minute series; and Roanoke Quadrangle Virginia; 1:250,000 minute series.

(c) *Boundaries.* From Norwood, Virginia, following the Tye River west and northwest until it intersects with the eastern boundary of the George Washington National Forest; following this boundary northeast to Virginia Rt. 664, then west following Rt. 664 to its intersection with the Nelson County line; then northeast along the Nelson County line to its intersection with the Albemarle County line at Jarman Gap; from this point continuing northeast along the eastern boundary of the Shenandoah National Park to its intersection with the northern Albemarle County line; following the county line southeast to its intersection with the Orange County line; continuing north on the county line to its intersection with the Rapidan River, which continues as the Orange County line; following the river east and northeast to its confluence with the Mountain Run River; then following the Mountain Run River southwest to its intersection with Virginia Rt. 20; continuing southwest along Rt. 20 to the corporate limits of the town of Orange; following southwest the corporate limit line to its intersection with U.S. Rt. 15; continuing southwest on Rt. 15 to its intersection with Virginia Rt. 231 in the town of Gordonsville; then southwest along Rt. 231 to its intersection with the Albemarle County line; continuing southwest along the county line to its intersection with the James River; then following the James River to its confluence with the Tye River at Norwood, Virginia, the beginning point.

Signed: December 16, 1983.

Stephen E. Higgins,

Director.

Approved: January 12, 1984.

John M. Walker Jr.,

Assistant Secretary (Enforcement and Operations).

[FR Doc. 84–1770 Filed 1–20–84; 8:45 am]

BILLING CODE 4810–31–M

---

27 CFR Part 9

[T.D. ATF–166; Ref: Notice No. 485]

Clarksburg Viticultural Area

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury.

ACTION: Final rule, Treasury decision.

SUMMARY: This final rule establishes a viticultural area in north central California, to be known as "Clarksburg." The establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising will help consumers better identify wines they purchase. The use of this viticultural area as an appellation of origin will also help winemakers distinguish their products from wines made in other areas.

EFFECTIVE DATE: February 22, 1984.

FOR FURTHER INFORMATION CONTACT: James P. Ficaretta, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW, Washington, DC 20226 (202–566–7626).

SUPPLEMENTARY INFORMATION:

Background

On August 23, 1978, ATF published Treasury Decision ATF–53 (43 FR 37672, 54624) revising regulations in 27 CFR Part 4. These regulations allow for the establishment of definite viticultural areas. The regulations also allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements.

On October 2, 1979, ATF published Treasury Decision ATF–60 (44 FR 56692) which added a new Part 9 to 27 CFR, providing for the listing of approved American viticultural areas, the names of which may be used as appellations of origin.

Section 4.25a(e)(1), Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features. Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

The Clarksburg Vintners and Growers Association petitioned ATF for the establishment of a viticultural area in north central Califoornia, to be known as "Clarksburg." In response to this petition, ATF published a notice of proposed rulemaking (Notice No. 485) in the **Federal Register** on September 16, 1983 (48 FR 41602), proposing the establishment of the Clarksburg viticultural area.

General Description

The Clarksburg viticultural area, located just southwest of Sacramento, is approximately sixteen miles long and eight miles wide, encompassing 101 square miles (64,640 acres). It includes two bonded wineries and 25 vineyards, with approximately 2,300 acres of Vitis Vinifera grapes. In addition, the Merritt Island viticultural area is located within the Clarksburg viticultural area.

Historical and current evidence regarding the name as well as the boundaries of the proposed area include:

(a) Excerpts from articles that appeared in *Vintage Magazine*, Robert Finigan's *Private Guide to Wines*, and *Bon Appetit* magazine, indicate that the viticultural area is locally and nationally known.

(b) A Clarksburg Chenin Blanc won a medal in four major competitions in 1981, including the Orange and Los Angeles County Fairs.

(c) The large number of settlers arriving after the discovery of gold in 1849 led to the founding of Clarksburg and many other towns in the Sacramento River Delta Region.

(d) The town of Clarksburg was named after Judge Robert C. Clark, who is credited with having the first peach orchard in Yolo County.

Geographical features of the Clarksburg viticultural area include the following:

(a) Average yearly precipitation within the viticultural area is 16 inches, unlike the surrounding areas which average more to the north and east, and less to the west and south.

(b) The viticultural area is dominated by poorly drained clay and clay loam soils. West of the viticultural area the soil classification and the annual flooding of the Yolo Bypass make grape-growing impossible. The lower terraces east of the viticultural area are subject to the 100 year flood and are considered a flood prone area. Land south of the viticultural area is dominated by poorly drained organic and mineral soils.

(c) The northern boundary separates the northern area where the natural cooling fades out. Normally on a hot summer day Sacramento will be eight to ten degrees warmer than the Clarksburg area.

The boundaries of the Clarksburg viticultural area may be found on eight California U.S.G.S. maps (Sacramento West, Saxon, Clarksburg, Florin, Liberty Island, Courtland, Bruceville, and Isleton).

The boundaries, as proposed by the petitioner, are described in § 9.95.

Public Comment

In response to Notice No. 485, nine comments were received, all in support of the proposed viticultural area.

Miscellaneous

ATF does not wish to give the impression by approving Clarksburg as a viticultural area that it is approving or endorsing the quality of the wine from the area. ATF is approving this area as being distinct and not better than other areas. By approving the area, wine producers are allowed to claim a distinction on labels and advertisements as to origin of the grapes. Any commercial advantage gained can only come from consumer acceptance of Clarksburg wines.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1980, Pub. L. 96–511, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR Part 1320, do not apply to this final rule because no requirement to collect information is imposed.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to a final regulatory flexibility analysis (5 U.S.C. 604) are not applicable to this final rule because it will not have a significant economic impact on a substantial number of small entities. The final rule will not impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. The final rule is not expected to have significant secondary or incidental effects on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of Section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that this final rule will not have a significant economic impact on a substantial number of small entities.

Executive Order 12291

In compliance with Executive Order 12291, the Bureau has determined that this regulation is not a major rule since it will not result in:

(a) An annual effect on the economy of $100 million or more;

(b) A major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or

(c) Significant adverse effects on competition, employment, investment, productivity, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Disclosure

A copy of the petition and the comments received are available for inspection during normal business hours at the following location: ATF Reading Room, Room 4407, Office of Public Affairs and Disclosure, 12th and Pennsylvania Avenue, NW, Washington, D.C.

List of Subjects in 27 CFR Part 9

Administrative practice and procedure, Consumer protection, Viticultural areas, Wine.

Drafting Information

The principal author of this document is James P. Ficaretta, Specialist, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

Authority and Amendment

PART 9—AMERICAN VITICULTURAL AREAS

This regulation is issued under the authority in 27 U.S.C. 205. Accordingly, 27 CFR Part 9 is amended as follows:

Par. 1. The table of sections in 27 CFR Part 9, Subpart C, is amended to add the heading of § 9.95 to read as follows:

Subpart C—Approved American Viticultural Areas

Sec.

* * * * *

9.95 Clarksburg.

Par. 2. Subpart C is amended by adding § 9.95 to read as follows:

Subpart C—Approved American Viticultural Areas

§ 9.95 Clarksburg.

(a) *Name.* The name of the viticultural area described in this section is "Clarksburg."

(b) *Approved maps.* The appropriate maps for determining the boundaries of the Clarksburg viticultural area are eight U.S.G.S. topographic maps in the 7.5 minute series, as follows:

(1) Sacramento West, Calif., 1967 (photorevised 1980).

(2) Saxon, Calif., 1952 (photorevised 1968).

(3) Clarksburg, Calif., 1967 (photorevised 1980).

(4) Florin, Calif., 1968 (photorevised 1980).

(5) Liberty Island, Calif., 1978.

(6) Courtland, Calif., 1978.

(7) Bruceville, Calif., 1978 (photorevised 1980).

(8) Isleton, Calif., 1978.

(c) *Boundaries.* Beginning at a point (on the Sacramento West topographic map) in Yolo County in T8N/R4E, at the intersection of Jefferson Blvd. and Burrows Ave.,

(1) Then southwest in a straight line 1.2 miles along Jefferson Blvd. to the eastern bank of the Sacramento River Deep Water Ship Channel.

(2) Then southwest along the Sacramento River Deep Water Ship Channel, approximately 17 miles to T5N/R3E, to the Class 5 trail on the levee connecting the Sacramento River Deep Water Ship Channel and the dredger cut Miner Slough, approximately 2 miles from the Solano/Yolo County line.

(3) Then east along the trail to the Miner Slough.

(4) Then east along Miner Slough to the point where it joins Sutter Slough, then south along Sutter Slough around the tip of Sutter Island to the junction of Sutter Slough and Steamboat Slough; then north around Sutter Island along Steamboat Slough to Section 8 in T5N/R4E where Steamboat Slough joins the Sacramento River.

(5) The southeast following the Sacramento River to the point where the Sacramento River meets the Delta Cross Channel at the Southern Pacific Railroad in Section 35, T5N/R4E.

(6) Then northeast along the Southern Pacific Railroad for 2 miles, to a point ⅓ mile past the intersection of the Southern Pacific Railroad and the eastern branch of Snodgrass Slough.

(7) Then east approximately 2½ miles along the levee to Interstate 5 (under construction).

(8) Then north approximately 8½ miles along Interstate 5 (under construction, proposed, and completed) to Section 18 in T6N/R5E, at the intersection of Interstate 5 and Hood Franklin Road.

(9) Then southwest along Hood Franklin Road to the Southern Pacific Railroad Levee, .1 mile northeast of Hood Junction.

(10) Then north approximately 18 miles along the Southern Pacific Railroad Levee to Section 11 in T7N/R4E, at Freeport Blvd., and then across the Sacramento River at the line between Sections 11 and 14.

(11) Then northwest along the west bank of the Sacramento River to Burrows Ave.

(12) Then northwest along Burrows Ave. to the starting point at the intersection of Jefferson Blvd. and Burrows Ave.

Signed December 7, 1983.

Stephen E. Higgins,

Director.

Approved: January 12, 1984.

John M. Walker, Jr.,

Assistant Secretary (Enforcement and Operations)

[FR Doc. 84-1771 Filed 1-20-84; 8:45 am]

BILLING CODE 4810-31-M

DEPARTMENT OF LABOR

Office of the Secretary

29 CFR Part 17

Notice of Exclusion of Labor Force Statistics Program From Coverage Under E.O. 12372—"Intergovernmental Review of Federal Programs"

AGENCY: Office of the Secretary, Department of Labor.

ACTION: Notice of exclusion.

SUMMARY: The Labor Force Statistics Program is excluded from coverage under E.O. 12372 on the basis that intergovernmental review under the Executive Order would substantially impede the achievement of Presidentially or Congressionally established goals as specified in 29 U.S.C. 491-1. This program was previously excluded for reasons specified in the final rule found at 48 FR 29250, June 24, 1983.

FOR FURTHER INFORMATION CONTACT: Annabelle Lockhart, (202) 523-8176.

Issued at Washington, D.C., this 13th day of January 1984.

Raymond J. Donovan,

Secretary of Labor.

[FR Doc. 84-1698 Filed 1-20-84; 8:45 am]

BILLING CODE 4510-23-M

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR 223

Sale and Disposal of National Forest System Timber

AGENCY: Forest Service, USDA.

ACTION: Final rule; redesignation.

SUMMARY: The Department of Agriculture hereby retitles and redesignates its regulations at 36 CFR 223 governing Sale and Disposal of National Forest System Timber. This redesignation will make it easier for users to make reference to and locate pertinent rules in this Part and will facilitate any future amendments that may be necessary. This action is limited to redesignation of the regulations and makes neither technical nor substantive changes to the rules.

EFFECTIVE DATE: Feburary 22, 1984.

FOR FURTHER INFORMATION CONTACT: Marian Connolly, Federal Register Liaison Officer, Forest Service, USDA, P.O. Box 2417, Washington, D.C. 20013, (202) 235-1488.

SUPPLEMENTARY INFORMATION: The Forest Service has concluded that the present organization and coding of its rules governing sale and disposal of timber make it difficult to readily locate relevant provisions. This difficulty can be remedied by assigning section numbers and headings to those paragraphs presently coded by alphabetic enumeration and by establishing subparts which more readily identify major subject areas treated within Part 223.

The redesignation will have no effect on timber sale contract forms or other Forest Service forms and reports.

List of Subjects in 36 CFR Part 223

Exports, Government contracts, National forests, Reporting and recordkeeping requirements, Timber.

PART 223—SALE AND DISPOSAL OF NATIONAL FOREST SYSTEM TIMBER

For the reasons set forth above, Part 223 of Title 36 of the Code of Federal Regulations is amended as follows:

1. Title 36 of the Code of Federal Regulations is amended by revising the part heading for Part 223 as set out above and by redesignating the sections in the part as shown below. The left-hand column contains the former section designations. The right-hand column contains the new section designations.

Former part 223 section designation	New part 223 section designation
223.1(a)	223.1.
223.1(b)	223.2.
223.1(c)	223.3.
223.1(d)	223.4.
223.1(e)(1)(2)	223.5(a)(b).
223.1(e)(3), first 3 sentences	223.6.
223.1(e)(3), rest of paragraph	223.7.
223.1(e)(4)(5)	223.8(a)(b).
223.1(e)(6)	223.9.
223.1(f)	223.10.
223.1(g)(1)(2)	223.11(a)(b).
223.1(h)(1)-(3)	223.12(a)-(c).
223.1(i)	223.13.
223.2(a)-(f)	223.14(a)-(f).
223.3(a)(1)-(8)	223.30(a)-(h).
223.3(b)	223.31.